

TOWN OF LEE, MASSACHUSETTS

MANAGEMENT LETTER

June 30, 2020

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Adelson & Company PC

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To the Board of Selectmen of
TOWN OF LEE, MASSACHUSETTS

Dear Members of the Board of Selectmen:

In connection with our audit of the financial statements of the Town of Lee, Massachusetts as of June 30, 2020, we have made a review of the Town's accounting procedures and internal control. While the primary objective of such a review is to afford us a basis of determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for the Town's consideration, suggestions for changes in procedures, which in our opinion, would strengthen internal control or contribute to the improvement of operating efficiency.

The comments and recommendations in this letter are based upon observations made in the course of such review. The review was not designed for the purposes of expressing an opinion on internal accounting control, and it would not necessarily disclose all weaknesses in the system.

Please indicate in the "Action Taken" space of the letter, what corrective measures the Town intends to implement with regard to each recommendation, which will be part of the final letter. After you have had an opportunity to consider our comments and recommendations, we shall be pleased to discuss them further with you.

We would like to express our thanks and appreciation to the Town and its personnel for the cooperation given us during the course of our audit.

Sincerely yours,

ADELSON & COMPANY PC

March 31, 2021

Comments and Recommendations

1. At June 30, 2020, the Town had 55 bank and investment accounts. It was noted that certain accounts had minimal or no activity during the fiscal year.

Recommendation:

The Town should review its bank accounts and determine if any can be closed or consolidated.

Action Taken:

As of February 28, 2021, the Town has 51 bank and investment accounts. Many of these accounts are curb cuts, trust accounts, scholarships and cemetery accounts. The Town will review the accounts to see if closure or consolidation is possible.

Status of Prior Year Recommendations

1. As recommended, the Town has implemented new controls over the cash collection and reconciliation process to track the payments through the accounting system.
2. As recommended, the School has drafted a policy on the collection and reconciliation of admittance fees for athletics and other events.
3. As recommended, the Town has familiarized themselves with the requirements of GASB 87 and has documented its lease agreements.
4. As recommended, the Town has proper safeguards in place to mitigate the risk of cyber-threats.